WEEKLY ECONOMIC REVIEW

April 25, 2008

Retail sales in Alberta grew 4.7% year-over-year in February but remained unchanged from January. Meanwhile, after a strong start to the year, national retail sales fell 0.7% from January, the first monthly decline in five months. Almost every sector posted a decrease, most notably in the automotive sector. Despite the decline, national retail sales were up 6.8% year-to-date.

In 2007, Alberta's canola production rose by 16.1% to 5.1 million tones from 2006. However, other crops experienced production declines, including wheat (-19.0%) and barley (11.2%). In response to higher grain prices, Prairie farmers intend record plantings of canola and field peas in 2008. Statistics Canada reported that Alberta farmers intend to plant a record 5.1 million acres for canola, up 13.3% from last year. Alberta farmers also planned to increase plantings of field peas by 14.8% from 2006.

Higher feed costs and softer slaughter prices are causing Canadian hog producers to leave the industry, according to Statistics Canada's April 2008 Hog Survey. The number of hog farmers fell 19.3% from April 2007. Farm hog inventories were also down 11.7%, or 1.7 million, from last year, the largest year-over-year decline in three decades.

The Bank of Canada lowered its key overnight lending rate by another 50 basis points to 3.0%, its lowest level since October 2005. The Bank cited weakening global economic growth and the ongoing financial market turmoil as reasons for the rate cut. Since CPI inflation is running below the 2% target, the Bank has more room to lower interest rates in case of a deeper and more prolonged U.S. slowdown.

↓	**Cdn Dollar (USc/CS)**	
	April 25, 2008	98.4
	April 18, 2008	99.2
	2008-09 YTD	98.6
↑	**WTI Oil US$/bbl**	
	April 24, 2008	$ 116.06
	April 17, 2008	$ 114.86
	2008-09 YTD	$ 111.55
↑	**Nymex Natural Gas CS/MMBtu** *	
	May Contract	
	April 25, 2008	$11.02
	April 18, 2008	$10.41

*Estimate based on Nymex Futures Market Price

In March, new orders of U.S. durable goods dropped 0.3% from February, led by a steep decline in transportation (-4.6%).

U.S. consumers' confidence fell for a third month in a row to 62.6 in April, the weakest in 26 years, on worries over inflation and the ongoing housing slump.

On Tuesday, crude oil price jumped US$1.89 to a new record high of US$119.37/bbl as weaker US dollar encouraged buying of commodities and developments in Nigeria and the UK fuelled supply concerns. Price were higher this morning on news that a U.S. ship fired warning shots at two Iranian boats.

The Canadian dollar retreated this week in response to lower retail sales and the interest rate cut.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/PreviousYear's Month(Y/Y)	Year-to-date[1]
Retail Trade ($ Millions) [1]	**February**			
Alberta	5,192	0.0%	4.7%	4.9%
Canada	35,487	-0.7%	5.7%	6.8%

Source: Statistics Canada. [1]Year-to-date compared to the same period in the previous year. [2] Seasonally adjusted